

U.S. Office of Personnel Management
Division for Human Capital Leadership & Merit System Accountability
Classification Appeals Program

Atlanta Field Services Group
75 Spring Street, SW., Suite 1018
Atlanta, GA 30303-3109

Classification Appeal Decision
Under section 5112 of title 5, United States Code

Appellants: [appellant's names]

Agency classification: Auditor
GS-511-12

Organization: [organization]
[agency]
U.S. Department of Defense
[geographic location]

OPM decision: Auditor
GS-511-12

OPM decision number: C-0511-12-03

/s/ Michael J. Wilkin
Michael J. Wilkin
Deputy Associate Director
Center for Merit System Compliance
Human Capital Leadership
and Merit System Accountability

August 5, 2005
Date

As provided in section 511.612 of title 5, Code of Federal Regulations, this decision constitutes a certificate that is mandatory and binding on all administrative, certifying, payroll, disbursing, and accounting officials of the government. The agency is responsible for reviewing its classification decisions for identical, similar, or related positions to ensure consistency with this decision. There is no right of further appeal. This decision is subject to discretionary review only under conditions and time limits specified in the *Introduction to the Position Classification Standards*, appendix 4, section G (address provided in appendix 4, section H).

Decision sent to:

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Introduction

On November 22, 2004, the Atlanta Field Services Group of the U.S. Office of Personnel Management (OPM) accepted a group classification appeal from [appellants' names] who occupy identical additional positions (hereinafter referred to as position) classified as Auditor, GS-511-12. The appellants work in the [organization], [agency], U.S. Department of Defense (DoD), [geographic location]. They request that their position be upgraded to GS-13. We received the complete appeal administrative report from the agency on January 5, 2005. The appeal has been accepted and processed under section 5112(b) of title 5, United States Code (U.S.C.).

General issues

The appellants believe that a recent revision of their position description (PD), primarily to identify independence in accomplishing audits, responsibility for entire audits, and impact on worldwide operations, affects the knowledge and skills, scope and effect, and complexity of their position. They make various statements about their agency, and its evaluation of their position. In adjudicating this appeal, our only concern is to make our own independent decision on the proper classification of their position. By law, we must classify positions solely by comparing their current duties and responsibilities to OPM standards and guidelines (5 U.S.C. 5106, 5107, and 5112). Because our decision sets aside all previous agency actions and decisions on the appellants' position, the appellants' concerns regarding their agency's classification review process are not germane to this decision.

The appellants are assigned to PD number [#]. Both the appellants and the supervisor certified the accuracy of the PD. In reaching our classification decision, we have carefully reviewed all information furnished by the appellants and the agency, including the PD of record which we find contains the major duties assigned to and performed by the appellants and which we incorporate by reference into this decision. We conducted a telephone audit with three appellants, designated by the group as spokespersons, and also interviewed the appellants' current supervisor who is also serving as Acting Chief of the office.

Position information

The appellants are assigned to one of two audit groups within the auditing office, each of which is directed by a Supervisory Auditor, GS-511-13. (One of the GS-13 positions is vacant.) A Supervisory Auditor, GS-511-15, manages the auditing organization.

The appellants serve as auditors for [acronym] programs and conduct financial, performance, and systems audits. [acronym] activities are worldwide and include the headquarters, field operating activities, three regions, 273 commissaries, central distribution centers, and business units. The appellants conduct single and multi-location financial and performance audits in assigned areas. They conduct pre-onsite analysis to include a review of prior audits, applicable laws and regulations, legislative history, contracts, financial records, management controls and organizational structure. The appellants plan approaches, identify potential problem areas, and modify the evaluation plan by changing areas of emphasis. They develop audit coverage guides

for each assigned audit, which includes the audit techniques to be used for the evaluation. They conduct onsite audits of operational, system, and financial programs and make recommendations to the management level which has the authority to act on audit findings. Final reports include the background, scope, methodology, timeframe, findings, and recommendations for improvements to the program or area that is reviewed.

Examples of audits conducted by the appellants and released in the past year include:

- [acronym]'s Surcharge Construction Projects – involved a review of operational procedures to plan projects and primarily consisted of an evaluation of the spreadsheets that the agency uses to track its major construction projects, as well as to set priorities at various commissaries.
- Direct Store Delivery for grocery items at the Camp LeJeune Commissary – reviewed the amount of grocery items ordered in comparison with the amount of excess to determine if appropriate quantities of groceries were ordered.
- Twenty Nine Palms Commissary - performed a follow-up review to determine if the recommended preventative measures for front-end operations were implemented.
- Delivery Ticket Invoices from the Cocetta, Aviano Commissary - reviewed questionable pricing on delivery tickets to a European commissary from a specific company. The review was performed by the supervisor and one appellant. The problem under study was identified through audit of a random sample of delivery tickets in the European region.
- Off Shore Acquired Delivery Ticket Invoice procedures for the European region – reviewed documents, procedures, and internal controls to assess if adequate controls existed to ensure the accuracy of payments.
- Individually Billed Accounts (IBAs) for government travel cards – reviewed 17 months of records to determine delinquency rates, agency program coordinator training and span of control, unauthorized use of travel cards based on random samples, disciplinary measures, etc.
- Joint Audit of Comparable Commissaries and NEXMARTS – compared the operating costs of three commissaries to three comparable NEXMARTS. [acronym] served as lead agency and worked with Navy Exchange Command (NEXCOM) auditors in performing the comparison. Three of the appellants worked on this audit.

The appellants typically work independently. Depending on the scope and complexity of the audit, they may occasionally work in a team environment. They discuss controversial issues with their supervisor. The supervisor provides the overall audit plan and objectives. He or she provides assistance, advice, and technical guidance on the application of advanced audit techniques. The supervisor reviews the work at completion and evaluates findings and recommendations to assure sufficiency of facts presented, adherence to principles, and soundness

of conclusions and recommendations. The PD (certified in December 2004) for the GS-15 Supervisory Auditor and the PD for the GS-13 Supervisory Auditor indicates that these positions supervise the consolidation of findings of separate auditors into one comprehensive report where examinations of functional operations involve several organizational elements.

Series, title, and standard determination

The agency classified the appellants' position in the Auditing Series, GS-511, and titled it as Auditor. The appellants agree with the series and title determinations. The agency used the Job Family Position Classification Standard (JFS) for Professional and Administrative Work in the Accounting and Budget Group, GS-0500, and the JFS' specific GS-511 criteria for grade determination. We concur with the agency's series, title, and standard determinations.

Grade determination

The GS-500 JFS is written in the Factor Evaluation System (FES) format, under which factor levels and accompanying point values are assigned for each of nine factors. The total is converted to a grade level by use of the grade conversion table provided in the standard. Under the FES, each factor level description in a standard describes the minimum characteristics needed to receive credit for the described level. Therefore, if a position fails to meet the criteria in a factor level description in any significant aspect, it must be credited at a lower level.

The appellants disagree with their agency's determination for three factors and believe that their position should be credited at Levels 1-8, 4-5, and 5-5. They agree with their agency's crediting of Levels 2-5, 3-4, 6-3, 7-3, 8-1, and 9-1. After careful review of the appeal record, we concur with the crediting of Levels 3-4, 8-1, and 9-1. By application of the revised criteria in the GS-500 JFS, we concur with the crediting of Factors 6 and 7 at Level 3c. Our analysis of the factors contested by the appellants and the one with which we do not agree follows.

Factor 1, Knowledge required by the position

This factor measures the nature and extent of information an employee must understand in order to do the work, and the skills needed to apply that knowledge. The agency credited Level 1-7.

At Level 1-7, work requires a professional, comprehensive knowledge of theories, practices, methods, and techniques of accounting and auditing; and organizational or program practices, policies, and functions. This is in addition to the knowledge of agency program governing statutes and regulations. Auditors use this knowledge to independently plan and conduct a variety of assignments or investigations. They develop or modify methods and techniques to resolve a variety of auditing problems. The factor illustration for Level 1-8 auditing work provided in the standard describes the following work situations as typical of this level.

- The auditor performs independent audits of operations and accounts of contractors to determine the basis for cost setting under a variety of contracts. He or she may review an organization's appropriation accounts maintained at an installation's finance and accounting office to identify any overspending and the propriety of obligations and

expenditures. This review covers accounts for such activities as operations and maintenance; research, development, test, and evaluation; foreign military sales; and new construction.

- The auditor develops methods to isolate and identify conditions affecting mission capability, susceptibility to fraud, and the potential for increased efficiency. He or she assesses the potential to reduce cost in a variety of programs, projects, and functions such as information technology, financial management, acquisition, and logistics systems.

Level 1-7 is met. The appellants use comparable Level 1-7 knowledge to review and analyze operations or accounting systems, identify potential problems, and/or evaluate the overall effectiveness of operations for the study area. As at this level, the range of audit coverage extends from cash operations at commissaries to the purchase of merchandise from companies outside the continental United States, to travel card requirements and usage. The appellants plan their review and develop audit guides identifying study methods and techniques. Like Level 1-7, the appellants apply knowledge of a wide range of laws and program governing regulations, including [acronym], DoD, and Federal regulations, and varying auditing policies applicable to the three [acronym] regions. They also use knowledge of funding laws, such as appropriated and surcharge non-appropriated laws and stock fund laws. For example, they use a combination of accounting and finance knowledge and investigative techniques to determine the existence of any illegal activity. The appellants must have knowledge of a variety of accounting and information management systems that interact and how they interrelate. These include the Defense Property Accounting System (DPAS); Defense Information Business System; Standard Accounting Voucher System; Automated Information Management System; Point of Sales Modernization; Defense Business Management System; and the Data Warehouse System.

At Level 1-8, work requires mastery of professional knowledge of the theory, concepts, principles, and practices of accounting and financial and performance auditing sufficient to conduct difficult assignments involving interfaces and inter-relationships between and among programs, systems, functions, policies, and various issues. Auditors use this knowledge to resolve problems of vital importance to the agency where there are conflicting economic and public interests. They comprehensively plan, analyze, determine cost/benefit relationships, and coordinate a great variety of functions, operations, teams, or interfacing administrative systems. They conduct examinations that require an integrated analysis of intricate and complex systems, business activities, and financing over a broad range of industries, occupations, and specialized entities. The work requires developing and applying unique or extensive probing and analysis techniques and methods. The auditors resolve issues where governing laws and regulations are highly interpretive and/or precedents are non-existent, obscure, or conflicting. They plan and coordinate problem resolutions that involve a number of organizational entities. The factor illustration for Level 1-8 auditing work provided in the standard describes the following work situations as typical of this level:

- The auditor serves as the agency technical expert in a wide variety of agency audit program management functions. The auditor interprets legislation and agency policies and establishes review criteria to improve efficiency of audit activities. He or she

coordinates with other Federal audit organizations such as the Government Accountability Office to develop the agency's guidance in audit program areas.

- The work requires integrated analysis of a number of different accounting systems. The auditor chooses audit areas to be covered and plans audit efforts in different locations and at different organizational management levels. He or she targets audits of highly controversial problems and the audits are so broad that they may require more than one year to complete.
- The auditor conducts audits of the agency's electronic information systems and information systems used by participants of the agency programs. He or she develops accessing methods and statistical and mathematical models to identify problems, devises innovative auditing techniques, and audits all major financial and management aspects of agency programs.

Level 1-8 is not met. The appellant's assignments do not have the breadth and difficulty requiring application of Level 1-8 knowledge. While the appellants conduct audits at all levels and for a variety of programs and systems, each audit does not involve the combination of organizational levels or number of different accounting systems that involve the extent of interfaces and inter-relationships intended at this level. The record shows that the appellants' typical studies frequently require an integrated analysis of a number of different programs, accounting systems, teams, or administrative systems over a broad range of industries, occupations, and specialized entities. The supervisor or others identify the area of study and determine resources, while the appellants develop a plan and techniques for analysis and further investigation of specific problems determined. The selected audit locations assigned to each appellant for an audit typically encompass one or several sites in a region or less often involves a specific program, e.g., travel or purchasing card program, throughout the agency. Unlike Level 1-8, when broader audits are conducted, the appellants typically each perform a segment of the review and are not required to coordinate the activities of other teams, operations, or a great variety of functions and the supervisor has responsibility for audit management and coordination of the report. The appellants do not apply audit theory in developing new approaches for the study of programs, nor do they develop audit standards. These are developed by the supervisors or other Federal auditing agencies. Consequently, the intent of Level 1-8 is not fully met, and that level is not creditable.

Level 1-7 is credited is credited for 1250 points.

Factor 2, Supervisory controls

This factor covers the nature and extent of direct or indirect controls exercised by the supervisor, the employee's responsibility, and the review of completed work.

At Level 2-4, the supervisor outlines overall objectives and available resources. The employee and the supervisor, in consultation, discuss time frames, scope of the assignment, and possible approaches. The employee is fully experienced in applying concepts and methodologies and is a technical authority with responsibility for planning and carrying out the work, resolving most of

the conflicts that arise, coordinating with others as necessary, interpreting policy and regulations, developing changes to plans and methodology, and/or providing recommendations for improvements to meet program objectives. The employee keeps the supervisor informed of progress and potential controversies. Completed work is reviewed for overall soundness and effectiveness, feasibility of recommendations, and adherence to requirements.

Level 2-4 is met. This level describes the fully accomplished journey level employee who carries out most of the work independently, consulting with the supervisor as necessary to receive initial direction and report on major problems encountered. This is basically the manner in which the appellants operate. Their supervisors provide the subject audit and overall objective and advice on controversial issues. The supervisors' PD indicates that they provide assistance, advice, and technical guidance on advanced audit techniques and review work for compliance with regulations and guidelines and accuracy and reliability of accounts, records reports, and validity of supporting data.

At Level 2-5, the supervisor provides administrative and policy direction in terms of broadly defined missions or functions of the organization. The employee is responsible for a significant program or function; defines objectives, interprets policy promulgated by authorities senior to the immediate supervisor, and determines their effect on program needs; independently plans, designs, and carries out the work to be done; and is a technical authority. The supervisor reviews the work for fulfillment of objectives and the effect of advice, influence, or decisions on the overall program; evaluates the employee's recommendations for new systems, methods, projects, or program emphasis in light of the availability of funds, personnel, equipment capabilities, priorities, and available resources; and rarely makes significant changes to the employee's work.

Level 2-5 is not met. This level is reserved for positions with delegated program management authority. . The duties and responsibilities assigned to the appellants may not be considered in a vacuum. The appellants do not have the authority to define the overall objectives and policy interpretations for the auditing program, nor do their positions involve such work as recommending new program emphasis that would lend itself to the administrative direction described at this level. The PD occupied by the appellants' first and second level supervisors, certified as accurate by management authority, identify significant responsibilities for audit planning, development of techniques, guidance, and technical supervision of the appellants. The PD identifies the first level supervisors as the recognized technical experts with overall technical responsibility for all phases of audit work including planning, conducting, and reporting of results. The office chief is responsible for interpreting audit policy and related regulatory guidance, for developing and executing annual programs, and supervising the consolidation of findings for examinations of functional operations involving several organizational elements. The appellants serve as auditors for segments of the overall auditing program.

Level 2-4 is credited for 450 points.

Factor 4, Complexity

This factor covers the nature, number, variety, and intricacy of tasks, steps, processes, or methods in the work performed; the difficulty in identifying what needs to be done; and the difficulty and originality involved in performing the work. The agency credited Level 4-4.

At Level 4-4, the work consists of varied duties that require applying many different and unrelated processes and methods to a broad range of activities or to activities that entail substantial depth of analysis. The employees originate new techniques, establish criteria, and develop new information to carry out such assignments as analyzing program operations and trends or anomalies and their significance to ongoing agency programs or commercial operations. The audits may involve specific problem areas or an evaluation of the current status of accounting or reporting systems or operating programs. The work requires the auditors to make decisions and resolve problems that require considerable innovation and originality, such as in determining the nature and extent of problem areas. They develop and present to management recommendations and alternatives for particular situations when there may be a variety of solutions. The employees at this level decide which aspects of program operations to evaluate and report on and the approaches to use in collecting and structuring data. Complexity at this level is characterized by a work environment which involves complex and variable programs, resistance of program officials to findings; variability in the way programs and systems are set up or operating; need to sort out convoluted factual situations; and need to apply a variety of tax laws and regulations, and/or use new requirements, regulations, or legislation.

Level 4-4 is met. The appellants' work involves auditing numerous [acronym] programs, such as financial audits; capital equipment programs; accounts payable; vendor audits; interservice support agreements; construction contracts; payroll; time and attendance; worker's compensation programs; and recycling programs. Audits may address a specific problem area at a single commissary, such as ordering processes at a military installation or delivery ticket invoices at an overseas commissary, or a specific problem at all commissaries, such as the accuracy of produce credits for unacceptable produce returned. They may also encompass an entire program or operation, such as the review of the government credit card program or the DPAS which is used to account for capital equipment. Each of these audits is unique and frequently has a wide range of problems, requiring that information be gathered from a variety of sources or systems. As at Level 4-4, the appellants must create audit guides and determine the evaluation criteria to be used in their evaluation. Examples of the evaluation criteria or techniques used includes quantitative analysis, qualitative analysis, flowcharting and diagramming to determine deficiencies, computer assisted auditing, sampling, forensic accounting, survey/questionnaires, interviewing, and review of documentation. Within the assigned study area, the appellants must decipher what particular problems to evaluate and report on, develop effective recommendations, and effectively present findings to management. Recommendations include suggestions such as actions for increasing security and reducing fraud, implementing process review teams, revising directives and operating procedures, and establishing standard operating procedures.

At Level 4-5, work requires resolving particularly difficult and complex problems in highly responsible circumstances and involves such functions as problem definition, intensive planning, coordination of many activities, and comprehensive analysis of a great variety of functions and

operations. The employee advises a number of directors (because of the breadth of the problem area) and prepares a number of regular and recurring special purpose reports; works with a variety of accounting systems or environments where there is significant interface with automated management systems; and serves as an expert in the application of accounting to some mission-related program(s). They develop audit plans and define problem areas for the comprehensive analysis of the overall operations of an organizational entity to predict the effects of proposed policies. The employee is innovative and adept at conceiving new strategies for solving problems. Decisions are complicated by the presence of issues, conditions, and matters such as the extreme diversity of functional programs and operations and their related accounting and control systems; the need to interpret policies and legislation covering highly sensitive programs; the need to establish criteria when advising other auditors on the application of auditing principles; and the conflicting requirements inherent in major agency programs having numerous goals or end products.

Level 4-5 is not met. While the scope of the appellants' audits varies, their analysis typically does not involve a great variety of functions and operations with significant interfaces. The appellants do not serve as experts or authorities in the application of auditing techniques to mission-related programs or apply these guides to predict the effects of proposed policies. Their supervisors are involved in the more significant audits and are the identified experts for internal review and audit policy, audit follow-up, compliance, or application of specific techniques. Unlike Level 4-5, the appellants share information among themselves, but are not required to advise or establish criteria on the application of auditing principles for the use of other auditors. They do not coordinate the activities of several audit teams or write instructions for other teams. When a comprehensive analysis may require audits at numerous locations to determine if a problem is systemic in nature, the auditors typically work in teams to complete reviews that are inclusive of a number of regions or sites. The supervisors are responsible for overall coordination for larger audits involving more than one or two auditors.

Level 4-4 is credited for 225 points.

Factor 5, Scope and effect

Scope and effect covers the relationship between the nature of the work, i.e., the purpose, breadth, and depth of the assignment, and the effect of work products or services both within and outside the organization. The agency credited Level 5-4.

At level 5-4, the scope of the work involves executing modifications to systems, programs, and/or operations, and/or establishing criteria and other means for assessing, investigating, or analyzing a variety of unusual problems or conditions. Work involves a wide range of agency activities or operations. Approaches vary widely because of the variability of subject programs and systems. The effect of the work has various outcomes, such as the amount and availability of funds for major substantive or administrative programs and services; the budgets, programs, and interests of other Federal agencies or private industrial firms; the way financial information is applied in planning organizational operations or the efficient use of funds; or the way management control systems, financial management accounting systems and programs are structured and operated throughout an organization with which an agency conducts business.

Level 5-4 is met. The appellants develop audit guides and apply new approaches and methodologies to a variety of programs [acronym]-wide. Audit approaches vary significantly due to the type of audit that is being conducted. Comparable to this level, the appellants' reports make recommendations for changes in financial management and accounting systems, organizational structure, policy, and program operations. The purpose of the audits is to identify financial and operational problems within the agency's commissary programs and make recommendations to improve deficiencies throughout the involved organization(s). As at Level 5-4, the work affects how control systems and programs operate and may impact [acronym] policies and funding for all commissaries.

At Level 5-5, the scope of the work involves isolating and defining unknown conditions, resolving critical problems, and developing new theories. Examples described in the standard at this level include studying and integrating the findings of a number of audit efforts to define audit targets; providing expert advice to other auditors; preparing plans and guidelines for comprehensive examination of an entire agency-wide functional area, such as the agency's information technology activity; and/or making significant recommendations or influencing major decisions on an agency program. Work outcomes may impact in any of a variety of areas and domains, such as major aspects of programs or missions. For example, the effect may involve the administrative delivery of a national program; the funds available to carry out agency programs, the allotment of funds to agency components and subcomponents; or the establishment of a definitive framework for the application of audit theories, concepts, and techniques.

Level 5-5 is not met. The appellants' audits primarily cover individual commissaries, regions, and headquarters audits and do not involve broader audits requiring definition of unknown conditions, developing new theories, and critical problems such as would impact a broad functional area. One of the few broader audits performed, the Government Travel Card Program, involved known problems in other agencies and determination of similar problems in [acronym]. While the appellants do develop audit approaches and guides for single and multi-location audits; the record does not show that the appellants are routinely developing criteria or new approaches to be used by other auditors. Additionally, while the appellants share information within their office; they typically do not provide advice to other auditors to be used throughout the organization. Unlike Level 5-5, the appellants' work does not affect the work of other auditors, nor does it provide a definitive framework for the application of audit theories, concepts, and techniques or impact major aspects of a significant agency program.

Level 5-4 is credited for 225 points.

Summary

<i>Factor</i>	<i>Level</i>	<i>Points</i>
1. Knowledge required by the position	1-7	1250
2. Supervisory controls	2-4	450
3. Guidelines	3-4	450
4. Complexity	4-4	225
5. Scope and effect	5-4	225
6. & 7. Personal contacts/Purpose of contacts	3-c	180
8. Physical demands	8-1	5
9. Work environment	9-1	<u>5</u>
<i>Total</i>		2790

A total of 2790 points falls within the GS-12 range, 2755 to 3150 points, according to the Grade Conversion Table in the GS-500 JFS

Decision

This position is properly classified as Auditor, GS-511-12.